

Program 080

DSHS - Medical Assistance Payments**Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2009-11 Expenditure Authority	1,167.2	3,487,176	6,407,262	9,894,438
Total Maintenance Level	1,125.3	5,046,866	6,409,227	11,456,093
Difference	(41.9)	1,559,690	1,965	1,561,655
Percent Change from Current Biennium	(3.6)%	44.7%	0.0%	15.8%
Performance Changes				
Eliminate Medical Interpreter Services Subsidy	(2.2)	(10,789)	(19,819)	(30,608)
Eliminate School Based Service Delivery	(.4)	(10,953)	(10,315)	(21,268)
Eliminate Medicare Part D Co-pay Subsidy	(.1)	(16,410)	(39)	(16,449)
Eliminate Podiatric Physician Reimbursement		(1,987)	(1,957)	(3,944)
Eliminate Children Health Program #	(.6)	(58,969)	(34)	(59,003)
Reduce Adult Non-emergent Dental Services		(26,288)	(26,014)	(52,302)
Eliminate Disability Lifeline Medical Services	(.2)	(147,573)	(145,613)	(293,186)
Federally Qualified Health Clinic Reimbursement Method Change		(85,083)	(86,573)	(171,656)
Reduce Healthy Options Administrative Payment		(10,000)	(10,000)	(20,000)
Reduce Maternity Support Services Program		(21,907)	(21,042)	(42,949)
Tobacco Cessation Funding		4,899	(4,899)	
Health Information Technology Implementation	9.0	224	1,928	2,152
ProviderOne Implement-Phase 2	50.0	6,266	21,730	27,996
Program Integrity	10.0	(39,774)	(39,583)	(79,357)
Medicaid Airlift Services Support Payment Program			5,854	5,854
Health Care Consolidation #	(1,190.8)	(4,627,681)	(6,071,142)	(10,698,823)
Suspend Plan 1 Uniform COLA #		(841)	(1,709)	(2,550)
Subtotal	(1,125.3)	(5,046,866)	(6,409,227)	(11,456,093)
Total Proposed Budget				
Difference	(1,167.2)	(3,487,176)	(6,407,262)	(9,894,438)
Percent Change from Current Biennium	(100.0)%	(100.0)%	(100.0)%	(100.0)%

Total Proposed Budget by Activity

Administrative Costs	
Disproportionate Share Hospital/Proshare	
Mandatory Medicaid Program for Children and Families	
Medicaid for Optional Children	(.1)
Medicaid Program for Aged, Blind and Disabled	
Medical Care for General Assistance Unemployable and ADATSA	
Optional Health Benefits: Dental, Vision, and Hearing	
Optional Health Care for Workers with Disability	
SCHIP	.1

HUMAN SERVICES - DSHS

	Annual FTEs	General Fund State	Other Funds	Total Funds
Special Programs				
Total Proposed Budget				

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Eliminate Medical Interpreter Services Subsidy

The state subsidy paid to cover the cost of interpreter services offered by medical providers to communicate with Medicaid clients whose primary language is not English is eliminated. (General Fund-State, General Fund-Federal)

Eliminate School Based Service Delivery

The state will no longer reimburse school districts for medical services provided to Medicaid-eligible children, whose Individual Education Plans require medical service as directed by the Individuals with Disabilities Education Act. (General Fund-State, General Fund-Federal)

Eliminate Medicare Part D Co-pay Subsidy

The state is discontinuing the reimbursement of co-payments for prescription drug purchases made by qualifying dually eligible Medicare/Medicaid clients in the Medicare Part D program. (General Fund-State, General Fund-Federal, Tobacco Prevention and Control Account-State)

Eliminate Podiatric Physician Reimbursement

The state Medicaid plan will no longer reimburse for services provided by podiatric physicians. (General Fund-State, General Fund-Federal)

Eliminate Children Health Program #

The Children's Health Program is eliminated. (General Fund-State, General Fund-Federal)

Reduce Adult Non-emergent Dental Services

The state Medicaid Plan will no longer cover preventative and restorative dental care for non-disabled, non-pregnant adult clients. (General Fund-State, General Fund-Federal)

Eliminate Disability Lifeline Medical Services

Medical services provided for clients enrolled in the Disability Lifeline and Alcoholism and Drug Abuse Treatment Support (ADATSA) programs are discontinued. (General Fund-State, General Fund-Federal).

Federally Qualified Health Clinic Reimbursement Method Change

Federal law requires FQHCs to be paid for their cost for providing medical services to Medicaid clients per visit (or encounter). The encounter rate paid to FQHCs is in addition to their fee-for-service payments. In 2009-11, the state moved to an alternate methodology to determine the encounter payment level. Effective January 1, 2011, the state will return to using the prospective payment system, established in the federal Medicaid statute, to determine the encounter rate. (General Fund-State, General Fund-Federal).

Reduce Healthy Options Administrative Payment

The administrative add-on to Healthy Options premiums is reduced by 0.5 percent beginning January 1, 2011. (General Fund-State, General Fund-Federal).

Reduce Maternity Support Services Program

Services provided for pregnant women at risk of unhealthy birth outcomes are reduced by 50 percent. Services will continue to be targeted to pregnant women with the highest risk of poor birth outcomes. (General Fund-State, General Fund-Federal)

Tobacco Cessation Funding

Funding for the Medicaid smoking cessation benefit is moved from the Tobacco Prevention and Control Account into the General Fund. (General Fund-State, Tobacco Prevention and Control Account-State)

Health Information Technology Implementation

The Medicaid Purchasing Administration (MPA) is provided 9.0 FTE staff and \$2,152,000 in the 2011-13 biennium to manage the provider incentive program and other initiatives related to the Health Information Technology Medicaid plan. The Legislature already provided the FTE staff and funding in the 2010 supplemental budget to support the planning and implementation phases. (General Fund-State, General Fund-Federal)

ProviderOne Implement-Phase 2

The Department is provided 50.0 FTE staff to support system vendor services and consulting services that are needed to complete the second and third phases of the ProviderOne project. (General Fund-State, General Fund-Federal)

Program Integrity

The Medicaid Purchasing Administration (MPA) is provided 10.0 FTE staff to improve the review and oversight of Medicaid and other programs implemented by MPA. Additional resources are provided to respond to increasing federal and state focus on avoiding fraud and abuse, and to seek coverage or recovery from other medical payers. (General Fund-State, General Fund-Federal)

Medicaid Airlift Services Support Payment Program

The Department is provided \$5,854,000 in the 2011-13 biennium to support Airlift Northwest, a transportation organization owned by the University of Washington that provides medical airlift services to Washington State hospitals. (General Fund-Federal, General Fund-Private/Local)

Health Care Consolidation #

The Medicaid Purchasing Administration (MPA) is transferred out of the Department of Social and Health Services and merged into the Health Care Authority, effective July 1, 2011. This transfer focuses on the medical services provided by MPA. It is the first step toward the more effective definition and consolidation of health care purchasing resources, with the goal of maximizing resources to maintain healthy populations. (General Fund-State, General Fund-Federal, General Fund-Private/Local, Emergency Medical Services and Trauma Care Systems Trust Account, Hospital Safety Net Assessment Account)

ACTIVITY DESCRIPTIONS

Administrative Costs

This activity reflects both the Division of Disability Determination Services and the Medical Assistance Administration's (MAA's) operating costs across all activities. (Health Services Account-State)

HUMAN SERVICES - DSHS

Disproportionate Share Hospital/Proshare

Congress established the Disproportionate Share Hospital (DSH) program to ensure continued operation of those hospitals most heavily impacted by charity and Medicaid caseloads. The Department of Social and Health Services operates DSH and several intergovernmental transfer (IGT) and refinancing programs to maximize federal revenue. In the 1999-01 Biennium, the state opted to expand the IGT programs to include public hospital district nursing homes, and further maximize federal revenue using IGTs with the University of Washington and Harborview Medical Center. In prior biennia, participating hospitals and nursing facilities throughout the state have been allowed to keep a percentage of the revenue earned through some of these programs.

Mandatory Medicaid Program for Children and Families

Mandatory clients of this program are families and children eligible to receive Temporary Assistance to Needy Families (TANF); families and individuals terminated from TANF because they have increased earnings or hours of employment or Social Security Disability Insurance income; individuals who are ineligible for TANF because of requirements that do not apply to Medicaid; eligible pregnant women and their newborns; individuals receiving Social Security Income or those eligible to receive mandatory state supplements; and children in foster care or adoption support. Mandatory Medicaid services for eligible clients include inpatient and outpatient hospital care, rural health clinic services, laboratory and X-ray services, nursing home services for clients 21 years or older (other than those in mental hospitals or institutions for the developmentally disabled), EPSDT (Early and Periodic Screening, Diagnosis, and Treatment) health care program for children, family planning, physician care, and home health.

Medicaid for Optional Children

Medicaid services are provided to those children who do not qualify under the federal mandatory guidelines, but live in families with incomes less than 200 percent of the federal poverty level. (Health Services Account-State)

Medicaid Program for Aged, Blind and Disabled

Medically Needy (MN) is a federally and state-funded Medicaid program for aged, blind, or disabled individuals with incomes above \$571 per month and/or resources above \$2,000. Clients with income in excess of this limit are required to spend down excess income before medical benefits can be authorized. (Health Services Account)

Medical Care for General Assistance Unemployable and ADATSA

General Assistance-Unemployable (GA-U) is a state-funded program that provides limited medical care to persons who are physically and/or mentally incapacitated and unemployable for more than 90 days. Limited medical care is also provided to people participating in the state-funded Alcoholism and Drug Addiction Treatment and Support Act (ADATSA) program which provides cash and/or medical benefits, treatment, and support for persons who are unemployed due to drug or alcohol abuse. (Health Services Account)

Optional Health Benefits: Dental, Vision, and Hearing

Federal regulations allow states to cover optional services such as hearing, dental, and vision care under Medicaid, as long as those services are listed in the state plan.

Optional Health Care for Workers with Disability

This program provides the Medicaid benefit package to Washington residents who are between ages 16 through 64, meet federal disability requirements, are employed (including self-employment) full or part-time, and have monthly gross income at or below 450 percent of the federal poverty level. (Health Services Account-State)

SCHIP

The State Children's Health Insurance Program (SCHIP) currently provides health coverage to about 12,000 children up to age 19, who live in households with income between 200 and 250 percent of the federal poverty level. (Health Services Account-State)

Special Programs

This activity includes family planning and pass-through dollars to school health services, school districts, Indian nations, etc. (Health Services Account-State)